

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B. K. HANDIQUE): (a) to (c) The 74 bulk drugs (including some anti-allergy drugs and pain killers) specified in the First Schedule of the drugs (Price Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. Prices are revised downward as well as upward as per provisions of DPCO, 1995. However, in no case, price increase has taken place more than 400% over the existing prices of Scheduled formulations. No one can sell Scheduled drug/formulation at a price more than the price fixed by the NPPA/Govt. In case there is any violation of approved/notified price of a Schedule formulation, action is taken under the provisions of the DPCO, 95.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

As part of its price monitoring activity, NPPA regularly examines the movement in prices of non-Scheduled formulations. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-Scheduled formulations. Wherever abnormal price increase is noticed, necessary action is taken. The manufacturers are impressed upon to bring down the prices voluntarily. This is an ongoing process.

Government is in the process of drafting a new Pharmaceutical Policy wherein more steps may be taken to keep a check on the prices of essential medicines needed by the common man.

Limiting of fertilizer subsidy

1068. SHRI RAJEEV SHUKLA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the fertilizer subsidy burden on Government

have touched a shopping Rs. 32,840 crores against the budgeted Rs. 18,752 crores during the current fiscal;

(b) if so, whether Government propose to take any action to limit the subsidy expenditure; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) The requirement of funds for subsidy on sale of fertilizers during 2006-07 is estimated at Rs. 27039.00 crore and in addition, there was a carryover liability from the previous year of Rs. 5913.94 crore increasing the total requirement to Rs. 32952.94 crores in the current year. Department of Fertilizers has till now received Rs. 18752.91 crore for payment of subsidy in the current year.

(b) and (c) The increase in subsidy expenditure is due to the increase in consumption of fertilizers within the country coupled with the increase in cost of fertilizer due to increase in raw material cost in the international market. The Department is making efforts to encourage the Indian industry to set up Joint ventures in raw material resource rich countries to ensure sustained availability of inputs and finished fertilizers in the country at reasonable prices. It is expected that Indian investment in fertilizer sector abroad and will ensure longterm supplies of raw materials/finished fertilizers to the country as also help in stabilizing the volatility of the prices in the international market.

The New Pricing Scheme for Urea units in the country also lays emphasis on maximizing indigenous production with energy efficiency and competitiveness at global standards. This will also help in controlling subsidy expenditure.

Medicine price reduction

†1069. SHRI MOTILAL VORA:

SHRIMATI PREMA CARIAPPA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details and the date of reduction of prices of medicines after Government efforts;

†Original notice of the question was received in Hindi.